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LOCAL DEVELOPMENT PAPER NO. 5

A Case Study of the Kitsaki Development Corporation, La Ronge Indian Band, La Ronge, Saskatchewan

by

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ABSTRACT

One particular focus of regional development policy and programming has been the plight of Indians resident on Indian reserves. Numerous efforts over the past twenty years have been directed toward improving Indians' living conditions. Despite considerable program activity, the aggregate employment and income data for Indians resident on reserves reveal continuing and profound unemployment and poverty.

Some individual reserves have made significant progress toward economic development. In some instances this has reflected significant resource endowments such as oil, scarce land, proximity to major urban centres, or determined leadership. One such reserve is the La Ronge Indian Band in northern Saskatchewan.

The La Ronge Indian Band created the Kitsaki Development Corporation to serve as the economic development and investment arm of the Band Council. By retaining outside managerial expertise and pursuing a diversified portfolio of investments for the Band, the Kitsaki Development Corporation has been able to enhance the economic situation of the Band and its members.

The eight business investments undertaken by the Kitsaki Development Corporation have included Northern Resources Trucking, a joint venture with Trimac, one of Canada's largest trucking companies and Northland Processors -- a food processing plant which produces smoked meat products such as pepperoni and beef jerky. Another venture, First Nations Insurance, is a group insurance agency which acts as a representative of Great West Life Assurance, one of Canada's largest insurance companies, in Saskatchewan. The overall impact of these businesses has been positive, with the majority of the businesses currently profitable and two of them, Northern Resource Trucking and the bingo hall, extremely successful.

Of particular note in the case of Kitsaki is the heavy emphasis placed on capacity building and self-sufficiency. The investment strategy utilized by Kitsaki on behalf of the Band has emphasized institution building and participation in all sectors of the economy. As a result, the necessary management skills have been developed and Kitsaki's businesses have become profitable. Unlike some other Indian economic efforts across the country, Kitsaki has emphasized success in business and made employment impacts a secondary objective.

A development corporation model offers Indian Bands the ability to separate governance from economic development. As well, it offers a vehicle for achieving successful economic development initiatives. The success of Kitsaki Development Corporation provides important lessons on the importance of capacity building and a focus on sound business management principles. As well, the Kitsaki experience provides an example of learning by doing and

success by overcoming failure. In this sense, its achievements mirror those of hundreds of thousands of Canadian small businesses.

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FOREWORD

The purpose of the Economic Council's project on Directions for Regional Development was to look at situations in which local communities had assumed more responsibility for their own development, and to see what lessons could be learned from these experiences. Fourteen case studies were undertaken, while a number of Issue Papers examined subjects of general concern to communities and development practitioners. The research was deliberately designed to be different from work typically undertaken by the Council in the past. The primary task was to collect instructive evidence, and to verify it where possible by drawing upon existing evaluation studies. The authors were not expected, for example, to undertake the extensive data collection needed to do cost-benefit studies. Rather, they were asked to capture the diversity of the local development experience in Canada.

The results of the research are being reported in a special collection of Local Development Papers. The first seven releases in the collection are listed at the end of this document. Further papers addressing the problems of single industry towns, urban cores, development indicators and other cases and aspects of local development will be released over the next few months and an overview of the findings from these cases and Issue Papers will be presented in a paper entitled Developing Communities: The Local Development Experience in Canada.

A subsequent phase of the project will analyze the context within which local development initiatives take place and evaluate their actual and potential impact on reducing regional disparities.

This Paper presents one of the 14 case studies produced by the Directions for Regional Development project under the direction of Dal Brodhead.

Geographically, these studies span almost the entire country, from Nanaimo, British Columbia, to St. Anthony's, Newfoundland. The range of initiatives described is almost equally broad; it goes all the way from the establishment of a small credit union designed to provide basic financial services to the residents of a single community to a comprehensive long-term area development initiative involving all three levels of government and designed to achieve a wide variety of socio-economic objectives over a ten-year period. A unique feature of the project was its regional orientation through the use of three regional consultants who played a major role in the development of the case studies and the consultation process. Equally important were the numerous joint research ventures undertaken with a wide range of regionally based partners.

Our work in the first part of the project suggests that programs sensitive to the needs of individual communities, and based on some type of partnership between government and local groups, may make a contribution to economic development in Canada's diverse regions. In particular, our research suggests that communities have an important role to play in identifying development priorities and the particular skill requirements of individuals and local businesses. They also indicate that such "bottom-up" strategies can be assisted by a Local Development Organization (LDO), whose mandate is sufficiently broad and constituency base sufficiently large to enable it to take a long-term development perspective. An important feature of "bottom-up" community development strategies is their focus on community capacity-building aimed at increasing local self-reliance and innovation.

The cases on which we have chosen to focus illustrate a number of the ways in which Canada's communities have mobilized their available human, financial, and material resources to help assure a future for themselves. We believe that these cases will be of value both to community and regional development practitioners and to regional policy-makers at all levels of government.

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Judith Maxwell
Chairman

1. INTRODUCTION

The Kitsaki Development Corporation (KDC) provides a case study of an Indian economic development project at the community level. Initiated by the La Ronge Indian Band as a vehicle for creating economic development on the La Ronge reserves in northern Saskatchewan, KDC has developed a series of businesses. Utilizing joint ventures as a business approach and stressing capacity building as a philosophy, KDC has achieved significant progress in a relatively few years. In fact, the January-February, 1989 issue of Saskatchewan Business identified KDC as the province's third fastest-growing company. From 1986 to 1989, KDC's sales increased by 110 per cent, from $5 million to $10.5 million.

This case study describes KDC's activities and analyzes its approach to economic development. Where possible, material on impacts is included, although the Corporation's relative newness precluded a thorough review of impacts. The overall thrust of this review is descriptive and qualitative rather than

> "Economic development is the process of creating institutions that do business development -- not business development itself."
>
> "If business development is a wrench -- economic development is the machine tool which creates it."
>
> "Kitsaki practices economic development."

analytical and quantitative. Sprinkled throughout the text are quotations from a speech by Bill Hatton, President of KDC. These quotations are provided as examples of the Corporation's approach to community development. A much more technical treatment of the corporation's approach to business development and project appraisal may be found in Appendices II and IV.

1.1 Context - The La Ronge Indian Band[1]

The Lac La Ronge Indian Band is located roughly 235 kilometers north of Prince Albert, Saskatchewan. The Band is comprised of seven reserves scattered through northern Saskatchewan. These reserves are:

1. Kitsaki Reserve
2. Grandmother's Bay Reserve
3. Stanley Mission Reserve
4. Hall Lake Reserve
5. Morin Lake Reserve
6. Far Reserve
7. Little Red Reserve.

The administration of the Indian Band is coordinated from the Kitsaki reserve at La Ronge. The total Band population (as of late 1987) was about 3,800 members.[2] Most services provided to the Band are located in the town of La Ronge, a service centre which houses a Canada Employment Centre, a community college,

government offices, and various businesses, including mining companies and aviation services related to mining exploration and tourism.

The La Ronge Band, in large measure because of its full management of its education, welfare, and other services and its dynamic approach to economic development, is viewed by knowledgeable observers to be one of the most advanced in Canada.[3] It should be noted, in this connection, that the Band took control of its education system in 1974 and experienced, during the 1970s and 1980s, a devolution of responsibility from the Federal Department of Indian Affairs and Northern Development for the management of Band affairs. At present, the Band manages a budget of some $15 million, employs over 400 people, and provides municipal infrastructure, education, and social assistance to Band members. After the successful takeover of delivery of services (particularly education) from Indian Affairs, the Band in the late 1970s and early 1980s turned its attention to the objective of economic development.

1.2 Project History

> "Every deal we do is not a witless anomaly, it is related to our strategy of vesting ourselves in every sector of the economy."

Before reviewing the history of the Kitsaki Development Corporation (KDC), it is important to situate it in the context of La Ronge and the Lac La Ronge Indian Band, described above. It should be noted that KDC is a response by the Indian Band to the socio-economic conditions of poverty and underdevelopment faced by its members.

Several of the economic and agricultural policies of the Saskatchewan government (not unlike similar efforts undertaken in other provinces) in the 1960s and the 1970s were crucial to the creation of the Kitsaki Development Corporation. In an attempt to facilitate wild rice production among northern Saskatchewan native communities, the Saskatchewan government seeded lakes in the region in the 1960s. As well, the Saskatchewan government placed pressure on uranium mining companies to involve native people in their construction activities.

The first effort resulted in the creation of the La Ronge Band's first company, La Ronge Industries, in 1966. With a variety of shareholders, this company was formed to develop wild rice production. It remains active in this area at the time of writing. In the late 1970s, the government pressure on mining companies led Nathan Brodsky, the owner of Brodsky Construction of Saskatoon, to contact the La Ronge Band. Brodsky was interested in forming a joint venture partnership with the Band to undertake construction projects in northern Saskatchewan. To undertake the joint venture with Brodsky, the La Ronge Band established the

Kitsaki Development Company as a holding corporation. Its objective was to operate and develop business opportunities for the Band.

Since KDC's establishment in 1981, it has evolved a series of business investments, primarily on a joint venture basis. Its core original businesses were in construction and in trucking.

The first venture in the trucking business was a joint venture between KDC and Rempel Trail in Merriman Transport Company Limited. This was a lease arrangement involving no significant equity investment by KDC. This venture become troubled in 1985 and eventually failed with the loss of a Key Lake petroleum hauling contract. But despite this setback, the KDC still pursued a partner in the transportation sector. It found one in the Calgary-based Trimac Transportation, one of Canada's largest resource trucking companies. Trimac had the financial, material, and management resources that the Band required in a new partner. Trimac and KDC entered into a joint venture called the Northern Resources Trucking Company, which has been extremely successful. This company has achieved a high rate of return. Its ten-year projection levels were reached after only seven months of operation.

Currently, Northern Resources Trucking employs 55 people, has a fleet of almost 30 trucks, and handles about 80 per cent of the heavy bulk fuel trucking in northern Saskatchewan. A further

opportunity was created for NRT with the receivership of Sinco Trucking, another Indian venture based in southern Saskatchewan. AMOK, a major uranium mining venture, retained NRT on an interim basis. Because of Trimac's resources, NRT was able to succeed and become extremely profitable; profits for the year ending December 1988 were $400,000 or $7.5 million in gross revenues.

Further ventures, which are described below, have evolved out of the ruins of previous, unsuccessful ventures. For example, Northland Processors has evolved out of an abandoned smoking plant built on the reserve to smoke fish, a business that had been assisted by the Department of Indian Affairs and Northern Development.

Overcoming early difficulties with equity, production, marketing, and management, the KDC gradually began to take shape as a focused and successful corporation. Michael Gustus, an entrepreneur from Saskatoon, approached the KDC with a proposed partnership in the production of beef jerky, utilizing the fish smoking facility. This project was successful and the KDC was encouraged enough with its results to begin seeking out further joint venture projects.

The KDC finally reached its mature stage in 1984 when it formally set out to hire individuals to run the corporation on a day-to-day basis. This resulted in the hiring of William Hatton as General Manager. Hatton, born on Chicago's South Side, is a

Vietnam veteran who had become very involved in the economic development movement in the United States. In fact, he sees himself as a professional practitioner of community economic development and capacity building. He was hired as a consultant to the Band but eventually joined the KDC on a full-time basis. Hatton feels very strongly about making the KDC a powerful player in the economy of northern Saskatchewan. Under Hatton's direction and that of Operations Manager Howard Lucas, and with the assistance of David McIlmoyl, the Executive Director of the La Ronge Indian Band, the KDC began its move towards further successful joint venture operations.[4]

1.3 Kitsaki Development Corporation - The Mandate

> "Real issue - limited business and development expertise, where to apply it.
>
> 1. Are there sufficient opportunities;
> 2. What will be a viable, durable structure."
>
> "We won't jeopardize profits for jobs."
>
> "In business as in warfare - you build a structure to carry out a strategy."

The KDC is the economic development arm of the Lac La Ronge Indian Band. It was incorporated in December, 1981 as the Band's principal means of achieving economic self-sufficiency. Like many native communities in North America, the Lac La Ronge Indian Band had lacked the essential elements of a business community prior to the activities of the KDC. Unlike towns of a similar size and

geographical context, Indian Bands, such as the Lac La Ronge Band, lacked both an organizational and institutional infrastructure and the conducive business environment and mentality necessary for successful long-term economic development.[5]

Regrettably, under such conditions the onus for economic and commercial matters is placed on the Band's political arm - the Tribal Council. In these circumstances, when the responsibility for economic and commercial matters rests with a political body, it often results in misguided and inappropriate policies. Most local governments face two obstacles to sound economic planning. First, they usually lack the technical expertise that the task of economic planning requires. Second, politicians, by nature, are usually forced to deal with the realities of elections. Their planning time frame tends to be short to begin with and grows even shorter as elections near.[6]

While these obstacles are inherent to most local governments, Indian Tribal Councils face further constraints unique to them. Band governments generally have many more responsibilities than would other forms of local governments. First, they must spend a great deal of time and energy satisfying the reporting requirements of the Department of Indian Affairs. As well, while most local governments are responsible for the redistribution of wealth, Band governments are generally charged with the task of distributing monies provided by provincial and federal governments. In conjunction with this last point, it must be

remembered that the socio-economic conditions on reserves are generally so poor that Band governments cannot begin to satisfy all the demands of their Band members. Therefore, Band Councils are generally geared towards dealing with short-term conditions rather than investing their scarce resources in long-term development projects. Among the problems typically encountered by these Councils in the pursuit of long-term economic development are:

1. Lack of a tax revenue base to finance development.

2. Population densities too low to support a centre for commercial and industrial development.

3. A labour force which lacks the necessary skills, experience, and initiative for commercial activity.

4. Lack of basic services, such as telecommunications, essential for carrying out commercial activity.

5. Lack of access to necessary business equipment and supplies.

6. Lack of ongoing relationships with external business institutions which could serve as sources of capital and business expertise.[7]

The Lac La Ronge Indian Band's response to this problem has been the creation of the Kitsaki Development Corporation. The KDC acts at an arm's length from the political aspects of Band society, thereby providing it with a degree of autonomy from the political climate of the Band's Tribal Council. The KDC's mandate consists of a detailed and comprehensive strategy for economic development.

The current strategy for the KDC is to achieve a substantial capacity to "plan, design, finance, implement and operate economic development programs on the Lac La Ronge Indian Band Reserves."[8] As well, the KDC is responsible for the foundation and operation of a flexible public and private support network for itself. This network will include the following components:

a) long term administrative and planning fund
b) equity capital
c) debt financing
d) technical assistance
e) training
f) marketing and promotion.[9]

The KDC's strategic plan is detailed, thorough, and comprehensive. The primary method through which the KDC is to achieve its stated objectives is through capacity building. This strategy will enable the KDC to "build an institution, which is responsive to the Council of the Lac La Ronge Indian Band and Band members, and which can effectively deliver services and operate

programs."[10] A quite detailed discussion of the KDC's overall economic plan may be found in Appendix III.

1.4 Capacity Building - An Approach to Development

> "1st priority - Capacity building"
>
> "Time, talent, capital mix"
>
> "1. Ownership, 2. Management, 3. Employment, in that order of importance."

The force which drives the Kitsaki Development Corporation and is probably the major reason for its success is its steadfast faith in the importance of capacity building. The KDC, under the tutelage of William Hatton, has recognized that economic development is not a single process. In particular, economic development does not result from the simple act of pouring financial resources into bricks and mortar projects. Rather, to achieve long-term economic development, the Indian Band must construct the necessary infrastructure which provides it with the capacity to "plan, design, finance, implement and operate economic development programs."[11]

The objective of capacity building is akin to the oft-referred-to aim of human resource development. But, while human resource development programs tend to focus on improving employment and education levels, capacity building is aimed at developing a conducive business environment, controlled by

knowledgeable individuals, with job creation as a secondary goal. The adherents of the capacity building philosophy firmly believe that once the capacity to successfully develop business enterprises is in place, employment and education levels will improve concomitantly with an improved economic environment. It is generally acknowledged that capacity building will take years to accomplish.

While capacity building seeks to create an overall understanding of all aspects of economic development, it is designed to accomplish many specific objectives. These specific objectives include the creation of a knowledge and understanding of: community-based planning techniques; business management techniques; project feasibility analysis; and the socio-political aspects of economic development. The KDC has set out to achieve these objectives through the use of workshops, seminars, and courses for those involved in the operations of the KDC and its business ventures.

The objective of capacity building at KDC, as demonstrated in this paper, has been a slow but highly successful method of turning an economically dependent Indian Band into one well on its way towards its objective -- the achievement of self-sufficiency for the Band so that the members will eventually have direct control over their own economic development, which will be

consistent with their broader socio-political aims, objectives, and philosophy.

1.5 Organizational Structure

> "Nothing we do has one of us as a manager."
>
> "I still report to Band Council every month on each venture."

The arm's length approach of the KDC has enabled it to function as an apolitical and relatively autonomous branch of the Lac La Ronge Indian Band Tribal Council. The KDC is comprised of a Board of Directors, a General Manager, and a clerk/bookkeeper. The KDC set out the responsibilities of each of the positions most clearly in its submission to the Native Economic Development Program made on May 4, 1987.[12]

General Manager

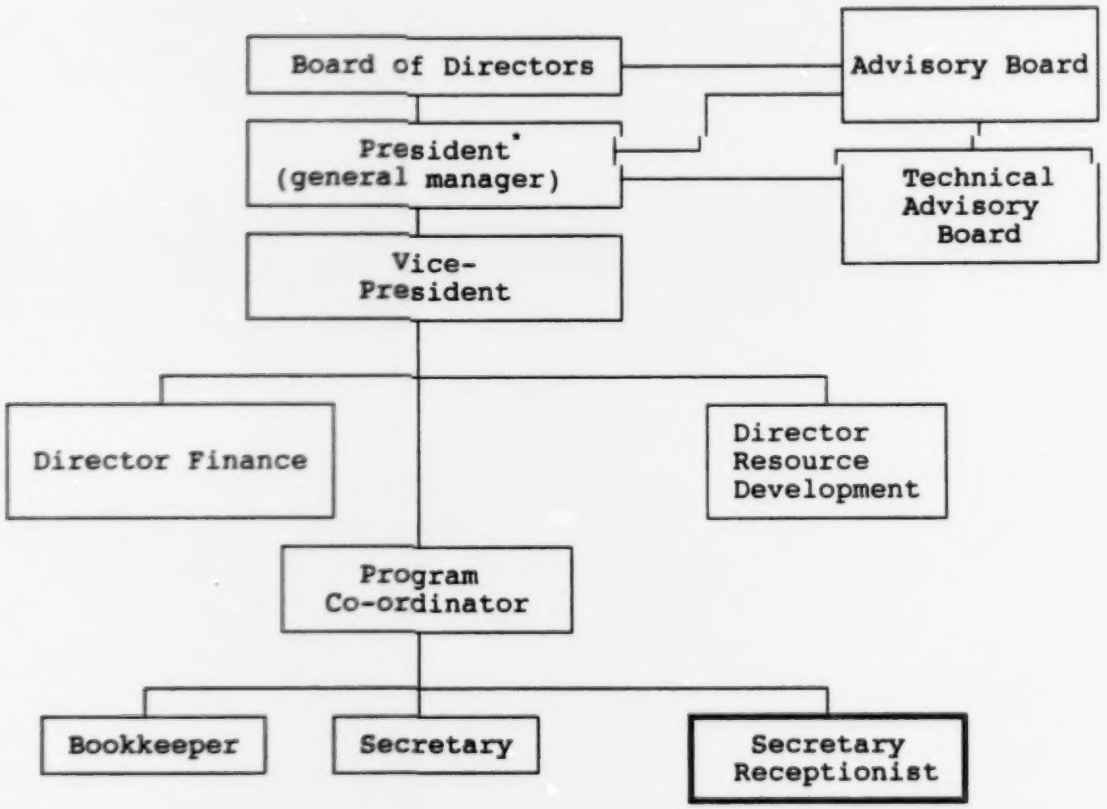
KDC's General Manager reports to the Board of Directors and is responsible for the development and implementation of the corporation's overall operations. Among the General Manager's specific duties are:

- responsibility for implementing policy decisions of the board,

- responsibility for directing and reviewing the development of program plans and budgets,

ORGANIZATIONAL STRUCTURE: KITSAKI DEVELOPMENT CORPORATION

The following is a diagram to illustrate the organizational structure and reporting lines of authority.



* The President and General Manager are one and the same.

- the preparation and coordination of both physical and human resource development proposals to both private sector agencies and companies and to public sector agencies (including all three levels of government) as required to provide for the optimal operation of Kitsaki's projects.

1.6 Project Descriptions - KDC Ventures

As pointed out earlier, not all of the KDC's ventures have been successful. However, the KDC has gained valuable experience from even its unsuccessful ventures, and has since used this knowledge to assemble a diversified set of holdings. As mentioned earlier, Northern Resources Trucking has become a major player in the Saskatchewan transportation industry. The following project descriptions of the other current KDC ventures serve to illustrate the nature of the business enterprises in which it is currently involved.

Hall Lake Confectionery

Hall Lake Confectionery was an early investment encouraged by the federal Department of Indian Affairs. The government had developed a plan for a native-run confectionery. It approached the Lac La Ronge Band with the idea together with promises of financial support from various programs. The Band agreed to proceed with the venture, which was later turned over to the KDC to operate. After a couple of years of losses and the

development of a revised business plan by the KDC, the venture was leased out to a Band member and had begun to operate on a break-even basis. Although the confectionery burned down in November, 1988, the KDC has plans to rebuild it.

Northland Processors

Northland Processors is a joint venture between KDC (45 per cent) and Mike Gustus of Saskatoon (55 per cent). The processing plant is located on the reserve and produces a number of smoked and processed meat products, including beef jerky (six flavours), pepperoni, sausage, and other products. This operation's sales amounted to $950,000 in 1988.

The decision to manufacture beef jerky was based on several factors. First, beef jerky production was a viable option for KDC as it had inherited a large smoked salmon production facility that had been financed with a special ARDA grant through the Department of Indian Affairs. The smoked salmon venture had failed, largely because it was undertaken on the advice of Indian Affairs before sufficient feasibility studies had been undertaken. Once production was underway, it became apparent that the very short shelf life of the salmon, in combination with La Ronge's remote location, severely limited the market area of the product, causing the venture to fail and the plant to shut down. Second, the beef jerky production process results in a high level of value added. As well, its very high dollar value

relative to its volume and weight leads to low transportation costs.

New markets are currently being developed in North America, Asia and Europe. The plant has also recently been modernized to increase its production capacity and reduce the product's cooking time. With the modernization, the operation is viewed as capable of generating some $4 million a year in sales.

Keethanow Bingo North

Keethanow Bingo North bingo hall was started two years ago in competition with another existing commercial hall. Six months later, the other hall, which had been failing in any event, went out of business. Keethanow was started on a rental basis. Rent was based on a percentage of gross revenues. The venture, which employs 15 Band members, is quite successful and profitable. KDC is now in the process of purchasing the hall for $345,000 and will lease it to the bingo corporation on a basis that should be extremely profitable for both partners. The Band's objective in operating the bingo hall is to provide a stream of income to support other ventures, as well as generating employment and recycling money within the reserve.

Further ventures in the gambling sector, including an on-reserve casino or a joint venture with some Las Vegas operators are being considered. As well, an expansion to

Creighton, Saskatchewan through development of a bingo hall operation there is under consideration.

NAPA Autoparts*

NAPA Autoparts, located in La Ronge, is an autoparts supply and repair facility. The KDC operates the venture on a franchise basis as a subsidiary of Northern Resources Trucking. This arrangement allows KDC to take advantage of the management expertise and purchasing power of the larger entity. NAPA Autoparts emphasizes overnight repair service and automated inventory and is expanding its activities in the supply of electrical and automotive parts.

NAPA Autoparts employs five staff. Four of the staff are Band members, including two apprentice mechanics who undertake repairs both on Band vehicles and on commercial vehicles. NAPA Autoparts is succeeding in drawing significant business from Key Lake Mines, Star Lake Mines and other mining companies.

However, it should be noted that there was not previously an auto parts business in the immediate vicinity of La Ronge. It should also be noted that in the absence of Kitsaki, Northern

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* As NAPA is a subsidiary of Northern Resources Trucking, its financial data are included with those of the parent corporation.

Resources might well have expanded into the La Ronge area or its own.

La Ronge Wild Rice

La Ronge Wild Rice is one of two wild rice processing operations in La Ronge. The firm is relatively new and utilizes a high quality, two-year-old processing facility. The La Ronge Band's Executive Director, David McIlmoyl, is President of the firm. This operation is jointly owned by three Bands, including La Ronge, and twelve individuals. The largest shareholder is the La Ronge Band. The plant processed some one million pounds of wild rice in 1987. The wild rice is sold in 80-pound bags in markets in Japan, West Germany, and the United States and to high-quality restaurants in Saskatoon and Toronto. Negotiations are underway with a Finnish firm for a major purchase. In addition to its mainstream wild rice business, La Ronge Wild Rice also produces and exports wild berries and jams and is now expanding into other food product lines.

Among the new products being explored is a frozen dinner with raw fish, rice and wild mushrooms. Another side line is the commercial harvesting of wild mushrocms which are purchased from Band members and others who harvest them, and are then shipped on a timely basis to Tokyo (36 hours) and Toronto (12 hours) and sold to gourmet restaurants and food stores. As well, mushrooms are dried and sold as a dried mushroom product. German importers

have also expressed keen interest in Northern American herbs; indeed, a shipment of reindeer moss was recently sent to that country.

The overall emphasis is on building a northern gourmet food export business with the wild rice plant as a base. Strategic advantages are seen to be the natural resource base, the existing expertise, and comparatively ready access (four hours via refrigerated truck) to a major airport in Saskatoon, Saskatchewan.

La Ronge Industries, which is larger, is owned by a consortium of operators and has existed since 1966 in La Ronge. At present, La Ronge Wild Rice is seeking support from the Federal Native Economic Development Program (NEDP) to buy La Ronge Industries. This merger, if brought about, would create the largest wild rice processor in Saskatchewan and one of the larger wild rice processors in North America. KDC does not anticipate that any jobs will be lost as a result of this merger.

Lac La Ronge Marina

Lac La Ronge Marina is a marina facility, constructed in 1986, which provides gasoline, boat rentals, and boat moorings and will eventually provide several campsites. The facility has not been a major revenue generator to date and is being leased to a sole Band member operator, who it is believed will be able to make

something of the marina. It should be noted that the marina was a personal priority of one of the officials of the Band, which KDC undertook to deliver.

The marina and the Hall Lake store are viewed by KDC as extremely time-consuming ventures which would not have large enough impacts or significant profitability to recommend them on a purely economic basis. These ventures have been pursued largely because of political pressure from the Band and the federal government, respectively. While neither venture can be viewed as a success story, they are perhaps useful illustrations of the kinds of political pressures that are a fact of life in many Indian Bands in Canada. Without the arm's length mechanism of the Corporation, imperfect though it may be, it is likely that such political pressures would be much more severe and would have a far greater impact. As well, in defense of the Hall Lake store, it should be noted that while the store has lost money (an estimated $30,000) in 1988, it is also the only such store in the Hall Lake community, and can thus be regarded as providing an essential service for the residents of that community.

First Call, Inc.

This is an operation which provides ambulance and hearse services for the northern Saskatchewan community. It is a venture enterprise established between Darlyne Woodhouse, a private entrepreneur from La Ronge, and the KDC in 1984. KDC

holds ten per cent of the shares in the company and possesses class B shares, entitling KDC to vote in the operations of the company. The company has been successful (with $10,000 to $15,000 in profits at the end of its first year) and has established a good reputation and maintained good relations within the northern Saskatchewan community.

First Nations Insurance

The KDC set up First Nations Insurance in Prince Albert, Saskatchewan. It is aimed at providing group insurance to native reserves which employ teachers, social workers, and other employees. It is a joint venture with Great West Life Assurance Company of Winnipeg, employs four people, including three Band members, and is extremely profitable. It is financed partly by Great West Life and is wholly owned by the KDC. This foray into insurance has helped to diversify the Corporation's portfolio. KDC hopes that by gaining experience in the insurance field, it will become better prepared to undertake other financial service ventures at some point in the future.

2. ANALYSIS

> "I went up to go moose hunting - ended up writing business plans."

2.1 Design Phase

There were really two separate stages to the design phase of KDC. The first stage saw the decision by the Band and Council and their advisors to create KDC, which was done at arm's length from the Council. The second stage in the design came about with the employment of Bill Hatton, first as a consultant to KDC and later as its general manager. Bill Hatton brought with him the views and track record of a practitioner of community-based economic development in the U.S. context.

The community-based development experience in the United States is much more extensive than the comparable Canadian experience, and draws more heavily on both homegrown and on international precedents.[13] The U.S. experience, as reviewed by Stewart Perry in his paper for the Economic Council[14], had its roots in that country's war on poverty in the 1960s. A number of entitlement programs were created to support community-based development and it was with these programs that Hatton had acquired experience both in Minneapolis and in other centres within the U.S.

Hatton's impact on KDC has been profound. He has brought a very serious emphasis on capacity building, as noted earlier in this case study. As well, he has brought a concern with rigorous project appraisal and a venture capital approach to the investment and reinvestment of funds. As a result, KDC has begun to become more of an investment analysis and negotiation

instrument than a company operating ventures on its own.[15] A series of operating companies that have been created for joint ventures have had many of the risks associated with their financing, management, and marketing spread or completely shouldered by the joint venture partner. In this way, KDC has been able to achieve a significant success rate, one which Hatton views to be better than the average track record of venture capital entities. To be sure, in view of the uniqueness of KDC's setting and the relatively short period of time for measurement, this is a difficult claim to evaluate.

2.2 Planning Phase

> "We knew that northern Saskatchewan is filthy rich in resources."

It would be erroneous to attribute much detailed planning to the early KDC experience. However, in recent years KDC has undertaken a number of detailed planning efforts, including the development of a five-year plan. This plan clearly states the Corporation's short-term and long-term goals and how they are to be achieved. Consistent with its capacity building approach, the KDC places a strong emphasis on developing its business capacity.

KDC has five long-term objectives:

1. To provide an integrated management system consistent with accepted business practices for all current acquisitions of KDC.
2. To increase the capacity of the current managers.
3. To evaluate any new business propositions that will be presented by persons wishing to establish a business relationship with KDC.
4. To initiate and develop innovative approaches to establishing profitable ventures for the Band.
5. To become self-sufficient within five years by generating management and financial revenues from the Band's businesses as they become more efficient and profitable.[16]

Coupled with KDC's long term goals are four short-term goals primarily related to capacity building:

1. To recruit and train the staff and the Board as to their responsibilities. Such training is crucial to an organized economic development process.
2. To provide technical support for the immediate needs of the businesses currently operating.
3. To implement a strategic plan to meet goals and objectives of the Board of Directors of KDC.

4. To seek and secure alternate sources of funding other than Canada Employment and Immigration's LEAD* program to cover financial requirements for years 3 to 5.[17]

It is clear from these two sets of goals that the KDC views capacity building as a necessary prerequisite for the successful completion of its long-term objectives.

As of May 1987, Year II of KDC's 5-year plan had been successfully completed. The accomplishments of Year I had been as follows:

- Built, strengthened, and improved a strong internal structure to provide planning, management and administrative services.
- Built external resource networks with various government, private, and educational institutes consisting of knowledgeable and sympathetic people.
- Developed a training course for board members and conducted training sessions in October and December of 1985 and April of 1986.
- Evaluated 25 potential economic development projects (ten were accepted) and was successful in creating 23 new jobs.[18]

---

* The full title of this program is the Local Employment and Adjustment Program.

The second year of the plan was also very successful and very productive. Based on the accomplishments of Year I, the KDC had intended to: invest in ten new business ventures; proceed with intensive training for the board of directors and the KDC staff; proceed with further economic development planning; prepare a proposal to secure funding from the Native Economic Development Program (NEDP) and continue to provide management services to the seven existing KDC enterprises.

Year II's accomplishments were extensive and were fully in line with KDC's stated objectives. Funding proposals and business plans were prepared for the ten businesses targeted by Year I evaluations; existing business ventures were further expanded; extensive economic development plans were drawn up; a further 19 businesses were evaluated for potential investment by KDC; additional sources of income were pursued; and extensive training programs were undertaken for the KDC Board and staff.

Year III's objectives continued to follow the existing patterns. A priority was placed on securing financing for KDC operations and investments in order to redirect business profits towards transactions and reinvestment.

New business investment efforts are directed toward:

Northern Resource Trucking: Securing funds from NEDP which have already been promised to KDC. This would allow KDC to match the

initial equity investment of Trimac and thereby raise its net profit margin from 10% to 50%.

Retail Mall: Securing tenants for proposed retail mall. The KDC had obtained a one-year option on land in La Ronge. Although the KDC had signed up 60 per cent of the retail space, it could not proceed with development until an anchor tenant had been secured. Unfortunately, the option on the land expired prior to securing the anchor tenant and the project was halted temporarily. Currently, the KDC is again putting together a proposal to build the mall (perhaps at a different location) and is pursuing an anchor tenant and reassembling the land.

Proposed Acquisitions: Preparation for the acquisition of La Ronge Industries, a local aviation firm, a resort development corporation, a mining services company, and an insurance agency.

Plans for Years IV and V will obviously depend on events in Year III. Tentatively, KDC plans to proceed with investment and expansion of the resort development corporation and the mining services company. As well, KDC will commence operation of a native mining consortium, a major northern road construction project, and a gold mill for companies in the La Ronge Gold Belt. The gold mill would process ore for a number of companies on a contractual basis and eventually for KDC should their joint venture efforts in mining succeed.

Year V includes plans for the beginning of development of a water base for lease to local aviation firms, a commercial condominium in La Ronge, and an apartment complex.

2.3 Implementation Phase

> "Want to vest the Band in every sector."

Unlike a governmental regional development effort, where the design, planning, and implementation phases are fairly clearly defined, the KDC exhibits many of the characteristics of a business enterprise, in which decisions are made in a much more dynamic and integrated context. Nonetheless, there are a number of observations that can be made about the implementation phase.

The first is the degree to which the success of KDC has rested upon the vision and abilities of a very few individuals. Chief Harry Cook of the La Ronge Indian Band and his predecessor had the vision to create an economic development entity. Dave McIlmoyl, Executive Director of the Band; Bill Hatton, General Manager of KDC; Operations Manager Howard Lucas and others have had the ability to successfully manage KDC into existence and along the path of success.

There are always concerns about the key individual in a small business setting. These concerns are applicable to KDC, which is

extremely vulnerable to the loss of key personnel. This is a situation which is to a degree inevitable in an organization of KDC's size but which may be overcome, to some extent, by the Corporation's continuing emphasis on the building of a team and of capacity.

It is also worth noting that KDC has been helped by the willingness of the public sector to provide equity funds but hampered by the extraordinarily slow pace at which the applications for those funds are processed. For example, in the case of the Northern Resources Trucking application to the Native Economic Development Program of the Government of Canada, the delay between verbal approval and actual receipt of equity funds was twenty-six months. Very few businesses are capable of withstanding a such a long delay in the receipt of equity funding. NRT managed to survive this delay only because the agreement included a provision for Trimac to advance equity funds on behalf of KDC to NRT. These funds were not charitable donations, as Trimac charged interest on the advances. However, this clause of the agreement did allow KDC's most successful single venture to be implemented.[19]

KDC's ventures to date have, on the whole, been quite successful. Given the difficulties which usually face young businesses, compounded by the barriers faced by native business enterprises, most of the ventures undertaken by KDC have proven to be very successful. Other than a few businesses which did not

succeed (which is well within the expected failure rate for new businesses), KDC's businesses have accrued impressive profit levels, in particular, Northern Resources Trucking. Should projected revenue levels be attained, KDC would be well on its way to building a modest corporate "empire" and increasing the Lac La Ronge Indian Band's control over its own economic destiny.

3. IMPACTS

3.1 Labour Force

As of May, 1989, the Kitsaki Development Corporation's business development programs had resulted in the employment of 92 persons in seven current businesses. (See Table 3.1)

Table 3.1

Business Development Program

Operational Businesses	Status	Jobs
1. Northern Resource Trucking	Profitable	55
2. Keethanow Bingo North	Profitable	15
3. La Ronge Wild Rice Corporation	Profitable	2
4. Northland Processors	Breakeven	14
5. First Nations Insurance	Profitable	2
6. La Ronge Band Marina	Breakeven	2
7. Hall Lake Store (Leased Out)	Losing	2
Total		92

KDC's track record is very impressive given the obstacles that it has had to face. Its employment creation achievements are particularly impressive, given that job creation is not one of its primary objectives.

Table 3.2

Upcoming KDC Ventures

In Process	Status	Jobs
1. Air Ronge Retail Mall	Proposed	70
2. La Ronge Motor Hotel	Proposed	60
3. La Ronge Industries	Proposed	4
4. Nature Berry	Proposed	16
Total		150
Initiated		
1. Native Mining Consortium		55
2. Strategic Investment Program		106
Total		161

Two conclusions can be drawn. First, KDC has a successful and profitable track record with better than 50% of its ventures. Second, although the Corporation's employment impacts have clearly been significant, more KDC ventures over the long term will be required to achieve major and lasting improvement in the reserve's employment problems. These employment problems are serious indeed. A Kitsaki representative indicated that the La Ronge Band's unemployment rate could be as high as 85%. But here again, one must bear in mind KDC's overall strategy, which recognises that successful businesses need to be established before the Band can attempt to train and employ large numbers of

previously unqualified individuals. This strategy, it should be noted, has the blessing of Lac La Ronge Chief Harry Cook. Some idea of the Band's employment objectives can be obtained from Table 3.2, above.

3.2 Recent Economic Developments

> "I hope NEDP sticks around for awhile because it's getting better."

At the present time, the KDC has entrenched itself as a credible and successful player within Saskatchewan's business community. While there is still work to be done on improving the organization's capacity, the future is bright for the KDC, which is continuing to expand and diversify its holdings and is continually being contacted by firms wishing to work with it on various joint business ventures.

For one thing, Kitsaki Development Corporation has recently entered into negotiations and discussions in the mining sector. A sequence of meetings have been held between KDC and the President and senior officials of the Hudson Bay Mining Smelting Co. Limited, which operates a number of mines and metallurgical plants in the Flin Flon, Manitoba/Creighton, Saskatchewan area.

Mining has long been on the KDC development agenda, but this is the corporation's first initiative within that sector. While it is too early to determine exactly what joint venture may proceed between HBMS and KDC, it is significant that the largest mining company in the region and KDC have entered into joint venture discussions.

It is also significant that the Federal NEDP has encouraged KDC to consider joint ventures in the mining sector. It is KDC's track record which has attracted the attention and support of senior officials of NEDP. KDC's ability to pursue these ventures will depend on a range of factors, including NEDP's promptness and its willingness to provide equity funds for their involvement.

KDC is also negotiating to purchase, for redevelopment, the La Ronge Motor Inn and the land which surrounds it within the community of La Ronge. This site, which overlooks the lake, would be the location for a development including a renovated and expanded Motor Inn, as well as an office complex. KDC is also assembling consortiums including other Indian Bands for the undertaking of ventures. For example, with regard to the mining sector, KDC has considered involving The Pas Indian Band in The Pas, Manitoba, and perhaps the Peter Ballantyne Band from Saskatchewan. This reaching out by KDC to other Bands is part of a strategy aimed both at spreading risks and at enhancing the chances of public sector support. Where KDC is able to organize

a range of Bands the perceived distribution of benefits is wider, adding to the application's political clout and thus to its chances of approval.

3.3 Quality of Life

It is clear that KDC has enhanced the quality of life by broadening the range of services available to members of the La Ronge Band and within the La Ronge community. However, because of KDC's focus on profit-oriented enterprises, the longer-term impacts on quality of life are likely to be even more profound than those witnessed to date. Certainly, there has been an improvement in a number of specific services in La Ronge, including marina services, funeral services, insurance services, auto parts and repair services and others.

Because the Indian Band, itself, is not responsible for economic development, it is able to focus more of its efforts and resources on improving the delivery of social services to its members. Over $15 million a year is now spent by the Band on education, housing, welfare, and infrastructure. For its part, through job creation, the KDC has enhanced the Band members' self-esteem and has improved the level of disposable income of the members.

3.4 Sustainability

> "What bothers me about relying on entrepreneurs is that they are an anomaly ... "

KDC has reached a level of profitability that can support its core operation. In other words, as long as there is no significant setback in its business operations, it is a self-sustaining model. It will not, however, reach its objective of self-sufficiency for the Band without continuing injections of equity capital from government funding agencies. This is because the scale of operations would need to increase by something like 500 to 700 per cent to provide self sufficiency for the Band. Capital is simply not available on this scale within the Lac La Ronge Indian Band and private lenders remain skeptical. As a consequence, the public sector will remain an important source of capital. For the foreseeable future, however, with the KDC track record in place, it is likely to attract government funds because it can provide politicians and government officials successful development -- and credit for successful development -- in return for their financial contributions.

3.5 Replicability

> Natives deserve to buy into the mainstream with good projects."

The KDC experience has a high potential for replicability. Most of the Indian Bands across Canada are in a similar position to the La Ronge Band pre-KDC. Indian Bands in Canada, according to recent statistics, have unemployment rates that exceed 70% on average, have high rates of mortality, incarceration, and business failure and generally exhibit signs of poverty.[20]

While the La Ronge area has significant resource potential, it is not likely that this resource potential is wholly different from that available to a range of other Indian Bands in Canada. It is not oil wealth that has enabled KDC to succeed; rather, this success is owing to the intelligent planning and skillful implementation of a number of successful business ventures. There are other Indian Bands in Canada, such as the James Bay Cree and The Pas Indian Band, that have a track record of success in the economic development field, but they are a very small minority of all bands. For this reason, it is believed that the KDC approach, that of an arm's-length development corporation combining some imported business development expertise with strong support from the local Indian Band, can succeed.

It should be stressed that this form of development is still more art than science and success will depend on a successful critical mass of money, expertise, and local support. There is no magic recipe for a successful development corporation, but there is certainly the possibility of replicating the KDC experience in other reserve situations across Canada.

Several cautions should be expressed at this point. A slavish copying of the KDC model will not succeed. Local development corporations, by their nature, must adapt to local circumstances, local leadership, and local resources. The KDC can serve as a model for possible adaptation by other Indian Bands across Canada, and, as such, it would be extremely useful for the leaders of other Indian Bands to visit La Ronge and gain a first-hand understanding of the corporation. However, other Bands must pay careful attention to the unique strengths of their local economies just as the KDC has done. For example, it would be a mistake for other Bands to attempt to start <u>their</u> own trucking companies and beef jerky plants simply because of KDC's success with those ventures.

3.6 <u>Competition with Existing Business</u>

A number of individuals have expressed the concern that publicly-supported firms operated by local development organizations like Kitsaki may have the effect of undercutting

existing businesses, thereby reducing competition and wasting public funds.

In this connection, it should be noted that Kitsaki's approach is to seek to occupy a significant portion of the economy of the region in which it is located. Its strategy for doing so includes direct ownership of business and, increasingly, joint ventures with other, generally much larger partners. Destroying healthy existing businesses is <u>not</u> part of that strategy.

In the case of joint ventures, such as Northern Resources Trucking and Great West Life, Kitsaki seeks a partner with significant expertise and experience in the industrial sector in question. Such joint ventures should not reduce competition since Trimac or Great West Life (the 'senior' partners in those ventures) might well have expanded into the region on their own in any event.

More generally, on the issue of whether Kitsaki, a subsidized local development corporation, is engaging in 'unfair' competition with existing non-subsidized businesses, it should be noted that Kitsaki's main source of funding is the federal government, through the Native Economic Development Program. That program does not provide funding in circumstances where the subsidized corporation's business would compete with an existing and established business with negative consequences.[21]

3.7 Lessons From The Kitsaki Development Corporation Experience

> "Economic development is creating the institutions necessary to the environment for business development."
>
> "Government is a business opportunity."

There are several important lessons to be learned from the Kitsaki experience. The first and most central to the organizational dimension is the value of creating an arm's length corporation separate from the political governmental structure of the Band. By creating a separate organization focused on economic development, the Band can place a higher priority an such development. As well, the corporation can be run on sound business principles and freed to some extent from the politics which are necessarily a part of delivering government services.

The second major lesson from the Kitsaki experience is the central importance of capacity building. This concept, which has a long track record of success and recognition in the international development experience and in the United States, has received little explicit attention in Canada. Kitsaki provides a model of how an explicit emphasis on capacity building can be of significant value in achieving economic business success.

A third major lesson from Kitsaki is the strategic importance of joint ventures. Such ventures have allowed the Kitsaki Development Corporation access to substantial expertise and equity capital that could not otherwise have been brought to bear in successful business enterprises to the benefit of Kitsaki.

Still another major lesson is the value of applying rigorous project appraisal and venture capital evaluation to new business ventures. By adopting a rigorous test for new ventures, Kitsaki has been able to achieve a "batting average" well above what has been achieved by other northern and native economic development ventures in Canada.

A fifth lesson is the value of the business-minded, profit-oriented approach that the KDC has used in operating its business ventures. With job creation as a secondary objective, KDC has tried to create strong, long-term ventures which, through the reinvestment of profits and expansions, will over time provide greater numbers of secure jobs to the Band members than would an approach focused on short-term job creation.

Two important conclusions may be made from KDC's approach to securing funding from government. First, dealing with government departments, such as NEDP, can, at times, severely hamper KDC's ability to make timely business decisions. With a more decentralized NEDP with local decision-making powers, KDC's (and that of other such initiatives) ability to make accurate

financial decisions would be significantly enhanced. Second, the KDC experience shows that native-run businesses can make an appeal for government funding, not on the basis of government's need to help a poverty-stricken and financially dependent people, but rather on the basis that such assistance makes good business sense.

A final lesson which can be extracted from the KDC experience is the immeasurable value of a few key individuals to the success of a community-based development initiative. The need for trained, committed professionals to manage such an entity as KDC is irrefutable. This last point, in turn, leads to two important considerations. First, there is a necessity to expand the resources available to such individuals. Considering the Canadian lack of experience in KDC-style initiatives, managers such as Bill Hatton could benefit greatly from a nation-wide support network of individuals with similar experiences and goals. Such a network would enable those like Hatton to consult others and benefit from their experiences and talents when undertaking difficult decisions.

Second, there should be some method of allowing individuals involved in community based development programs to take scheduled leaves of absence from their position. It has been observed that individuals involved in this type of work face a very demanding and intense challenge and may be prone to suffer from "burn-out" after a few years. Provisions should be made,

perhaps through some form of "community business training fund" to allow these individuals to spend some time outside of their communities, meeting with other community development practitioners and gaining new knowledge and experience so that they can contribute to their community's programs in a productive and creative fashion for many years to come.

In conclusion, the Kitsaki experience strongly supports an approach of institution building and a focus on long-term human resource development rather than on short-term job creation. By approaching the challenge of economic development in a vigorous and organized fashion, Kitsaki has achieved progress which is capable of replication elsewhere in Canada.

NOTES

1 From Kitsaki Development Corporation Resume, May 4, 1987.

2 Saskatchewan Business, November/December, 1987, p. 9.

3 Personal interviews with Lloyd Girman, former Deputy Minister, Northern Affairs, Province of Manitoba, and Anthony Reynolds, Asst. Deputy Minister, Native Economic Development Program, Government of Canada.

4 Personal interview with Howard Lucas, former KDC staff member (see Appendix I for details of Mr. Lucas' position).

5 William J. Hatton, "Report to the Kitsaki Development Corporation Board of Directors on Priorities/Goals and Objectives Re-Organization. KDC Internal Document, 1986, p. 2.

6 Ibid., p. 3.

7 Ibid., p. 2.

8 Ibid., p. 4.

9 Ibid.

10 Ibid., p. 9.

11 Ibid., p. 6.

12 KDC Resume, (see Note 1), p. 4.

13 For a fairly detailed examination of the American experience, see, among others, Stewart Perry, Communities on the Way (Albany, N.Y.: S.U.N.Y. Press, 1987); see also Neal Peirce and Carol Steinbach, Corrective Capitalism: The Rise of America's Community Development Corporations (New York: Ford Foundation, 1987).

14 "Community as the Basis for Regional Development," forthcoming Economic Council of Canada Discussion Paper. The U.S. experience is treated in more detail in Communities on the Way, op. cit.

15 This pattern is quite typical of the pattern of American community development corporations. Again, see Peirce and Steinbach, op. cit.

16 KDC Resume, p. 4.

17 Ibid.

18 Ibid., pp. 4-5.

19 The authors wish to emphasize that such lengthy delays in receiving funding are not, by any means, a universal phenomenon in government. Indeed, there have been signs that NEDP itself, in dealing with KDC on the issue of assistance for the La Ronge Motor Inn project, is attempting to streamline its approval process.

20 Statistics Canada, Census Sub-Divisions for Manitoba, Part II (Cat. 94-114); Adult Correctional Services in Canada (Cat. 85-211).

21 Personal interview with Anthony Reynolds, Assistant Deputy Minister in charge of the Native Economic Development Program, Deptartment of Industry, Science, and Technology.

APPENDIX I. LIST OF INDIVIDUALS INTERVIEWED

1. Mr. Howard Lucas, Training Director, Saskatchewan Construction and General Workers' Training Trust Fund - Howard Lucas worked for KDC for three years.

2. Mr. Bill Hatton, General Manager, Kitsaki Development Corporation.

3. Dave McIlmoyl, Executive Director, La Ronge Indian Band.

4. Mr. Al Solheim, Comptroller.

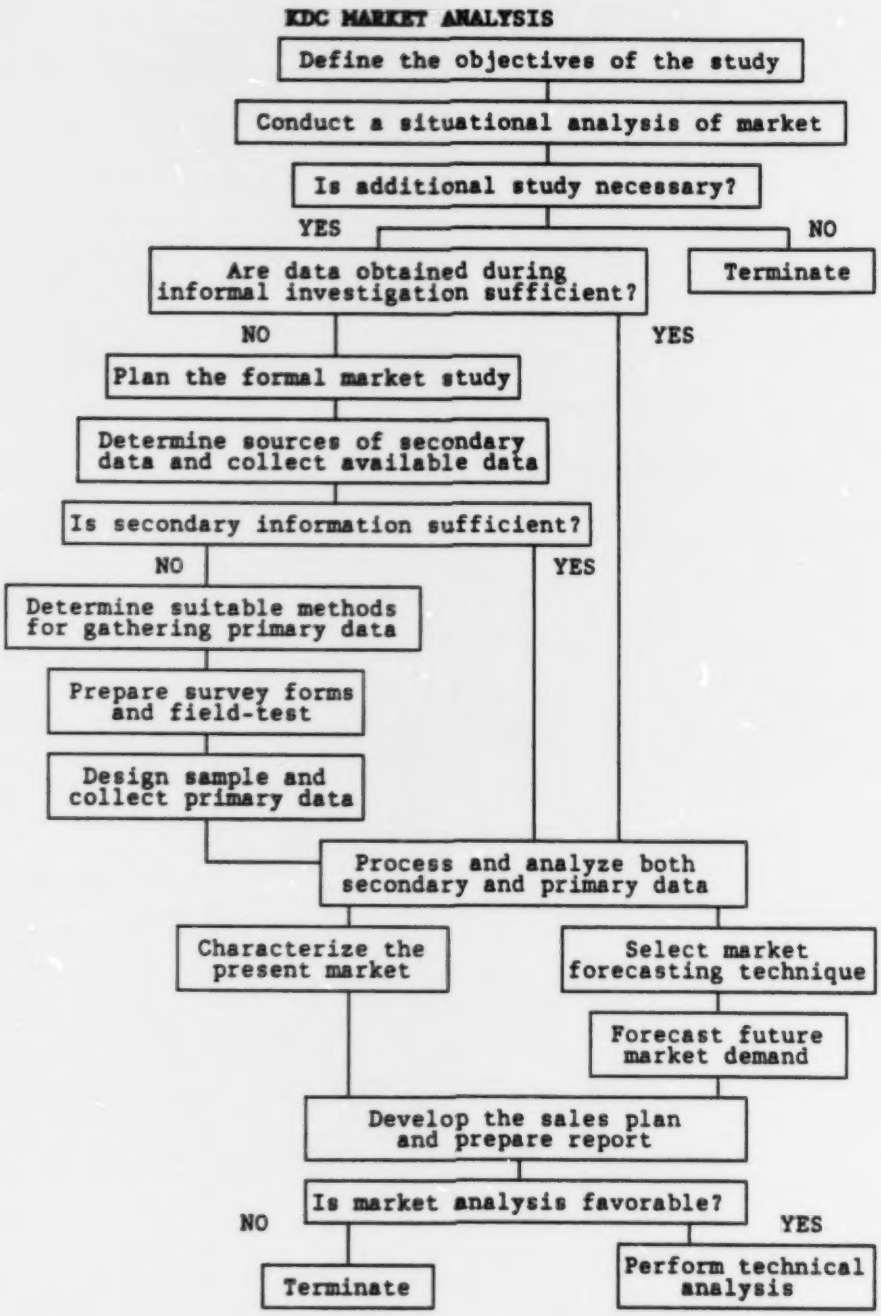
5. Mr. Anthony Reynolds, Assistant Deputy Minister in Charge of Native Economic Development Program (NEDP).

APPENDIX II. FLOWCHARTS

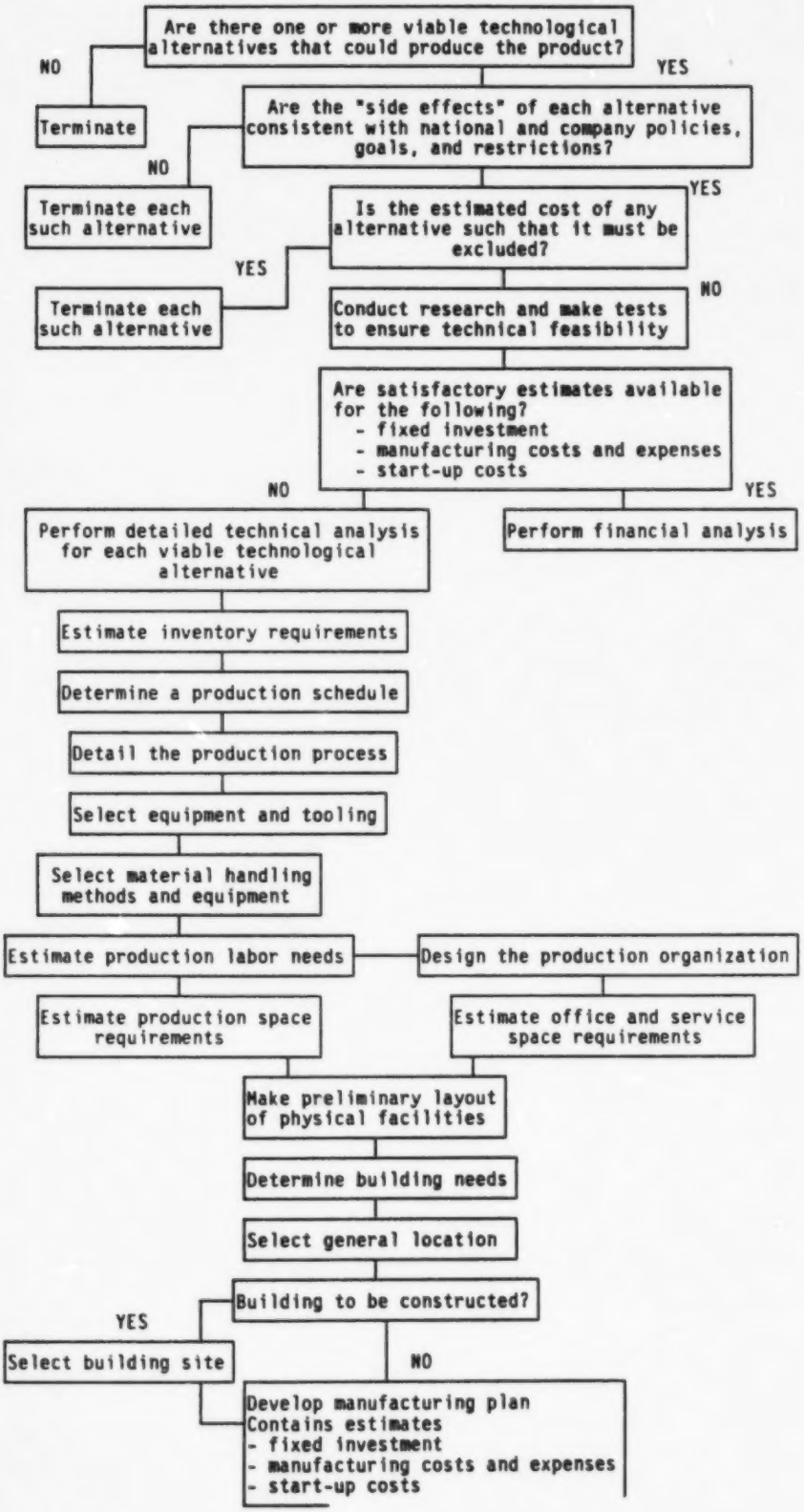
i) KDC Market Analysis

ii) KDC Technical Analysis

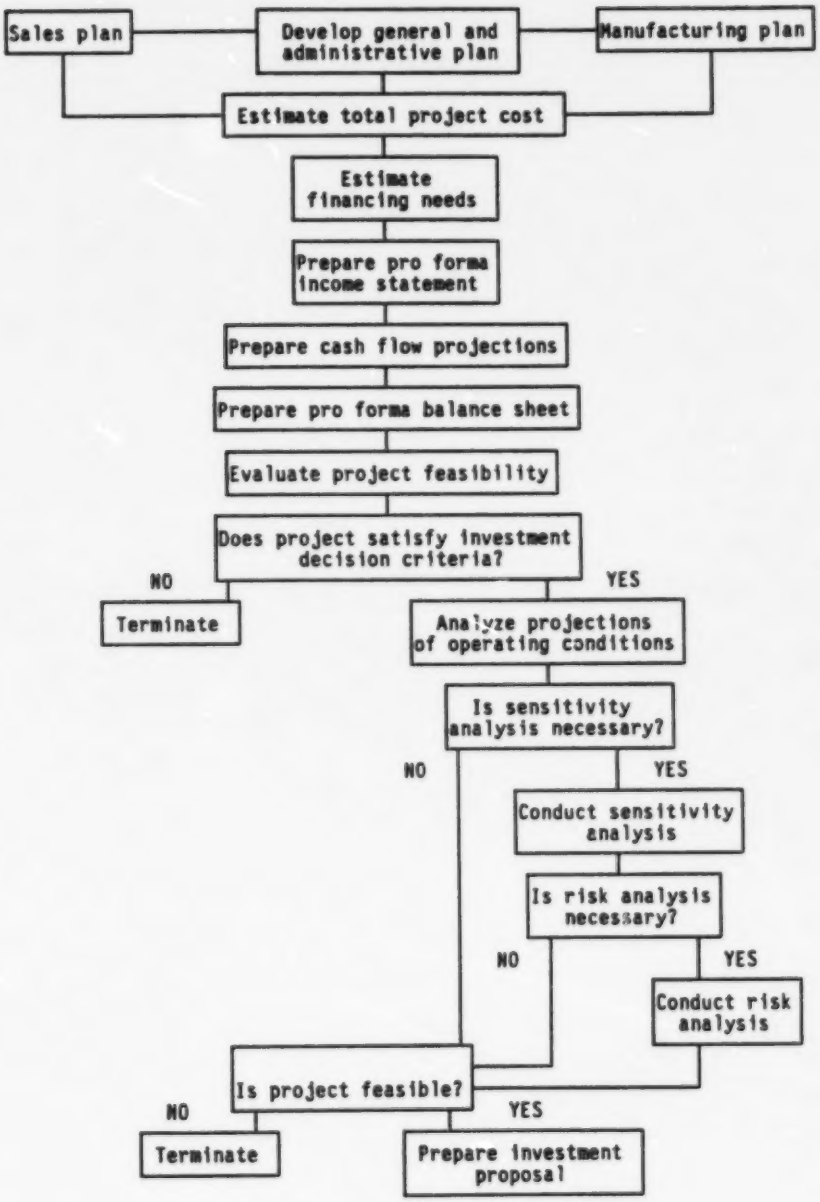
iii) KDC Financial Analysis


KDC MARKET ANALYSIS
Define the objectives of the study
Conduct a situational analysis of market
Is additional study necessary?
YES
NO
Terminate
Are data obtained during informal investigation sufficient?
NO
YES
Plan the formal market study
Determine sources of secondary data and collect available data
Is secondary information sufficient?
NO
YES
Determine suitable methods for gathering primary data
Prepare survey forms and field-test
Design sample and collect primary data
Process and analyze both secondary and primary data
Characterize the present market
Select market forecasting technique
Forecast future market demand
Develop the sales plan and prepare report
Is market analysis favorable?
NO
YES
Terminate
Perform technical analysis

KDC TECHNICAL ANALYSIS


Are there one or more viable technological alternatives that could produce the product?
NO
YES
Terminate
Are the "side effects" of each alternative consistent with national and company policies, goals, and restrictions?
NO
YES
Terminate each such alternative
Is the estimated cost of any alternative such that it must be excluded?
YES
NO
Terminate each such alternative
Conduct research and make tests to ensure technical feasibility
Are satisfactory estimates available for the following?
- fixed investment
- manufacturing costs and expenses
- start-up costs
NO
YES
Perform detailed technical analysis for each viable technological alternative
Perform financial analysis
Estimate inventory requirements
Determine a production schedule
Detail the production process
Select equipment and tooling
Select material handling methods and equipment
Estimate production labor needs
Design the production organization
Estimate production space requirements
Estimate office and service space requirements
Make preliminary layout of physical facilities
Determine building needs
Select general location
Building to be constructed?
YES
NO
Select building site
Develop manufacturing plan
Contains estimates
- fixed investment
- manufacturing costs and expenses
- start-up costs

KDC FINANCIAL ANALYSIS



APPENDIX III.

KITSAKI DEVELOPMENT CORPORATION

OVERALL ECONOMIC DEVELOPMENT PLAN

OUTLINE

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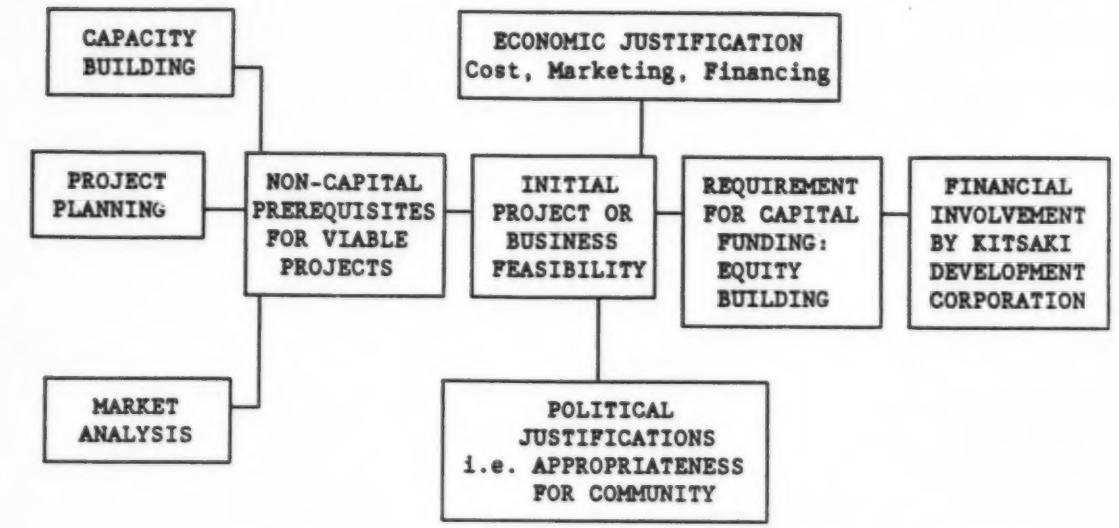
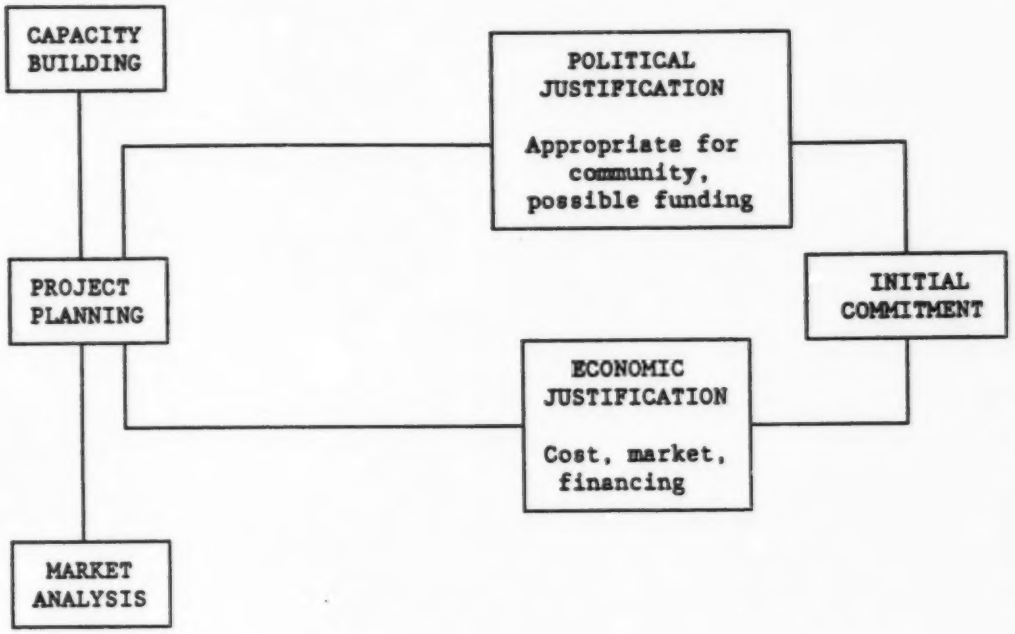
APPENDIX IV. THE DEVELOPMENT CYCLE


CAPACITY BUILDING
ECONOMIC JUSTIFICATION Cost, Marketing, Financing
PROJECT PLANNING
NON-CAPITAL PREREQUISITES FOR VIABLE PROJECTS
INITIAL PROJECT OR BUSINESS FEASIBILITY
REQUIREMENT FOR CAPITAL FUNDING: EQUITY BUILDING
FINANCIAL INVOLVEMENT BY KITSAKI DEVELOPMENT CORPORATION
MARKET ANALYSIS
POLITICAL JUSTIFICATIONS i.e. APPROPRIATENESS FOR COMMUNITY
TIME

NOTE: This appendix is based on the work of Michael J. Rivard, Consultant.

REQUIREMENTS FOR INITIAL PROJECT FEASIBILITY



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LOCAL DEVELOPMENT PAPERS

Fall 1989 Releases

A Case Study of the Kitsaki Development Corporation, by Michael Decter and Jeffrey Kowall.

Equity Capital and Economic Development in Newfoundland and Labrador, by the Economic Council of Newfoundland and Labrador.

Loan Funds for Small Business: Lessons for Canadian Policy Makers: A Case Study of Colville Investment Corporation, Nanaimo, B.C., by Lloyd Baron and Noel Watson.

The Great Northern Peninsula Development Corporation: An Organizational Framework for Revitalization? by Peter Sinclair.

The West Prince Industrial Commission: A Case Study by Wayne MacKinnon with the assistance of Jon Peirce.

Two Perspectives on Regional Development in Atlantic Canada: An Overview and a Case Study of the Human Resources Development Association, by Elizabeth Beale.

Where Credit is Due: A Case Study of the Eagle River Credit Union, by John Wickham, Richard Fuchs, and Janet Miller-Pitt.

Subsequent releases will include papers on the problems of single-industry towns, urban cores, development indicators and other cases and aspects of local development. An overview paper entitled Developing Communities: The Local Development Experience in Canada will present the findings from this phase of the project.